

**Houma-Terrebonne Regional  
Planning Commission**

**Annual Financial Report  
As of and for the  
Year Ended December 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **AUG 01 2012**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Annual Financial Report  
As of and for the Year Ended December 31, 2011**

**Table of Contents**

	<b><u>Page</u></b>
<b>Independent Auditor's Report</b>	<b>1 - 2</b>
<b>Management's Discussion and Analysis</b>	<b>3 - 6</b>
<b>Financial Statements</b>	
Statement of Net Assets	7
Statement of Activities	8
Balance Sheet - Governmental Fund Type - General Fund	9
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund Type - General Fund	10
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Assets	11
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	11
Notes to Financial Statements	12 - 19
<b>Required Supplemental Information</b>	
Budgetary Comparison Schedule	20
<b>Special Reports of Certified Public Accountants</b>	
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21 - 22
<b>Schedule of Findings and Responses</b>	<b>23</b>
<b>Management's Corrective Action Plan for Current Year Findings</b>	<b>24</b>
<b>Schedule of Prior Findings and Responses</b>	<b>25</b>

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have audited the accompanying financial statements of the Houma-Terrebonne Regional Planning Commission (the Commission), a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Houma-Terrebonne Regional Planning Commission as of December 31, 2011, and the change in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2012, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Commissioners  
Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

June 6, 2012

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Houma –Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2011**

As management of the Houma-Terrebonne Regional Planning Commission (HTRPC), we offer readers of HTRPC's financial statements this narrative overview and analysis of the financial activities of HTRPC for the year ended December 31, 2011.

**FINANCIAL HIGHLIGHTS**

- Houma-Terrebonne Regional Planning Commission's assets exceeded its liabilities by \$111,781 (net assets) as of December 31, 2011.
- Expenditures exceeded revenues by \$15,950 during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to HTRPC's financial statements. The Houma-Terrebonne Regional Planning Commission's financial statements consist of following:

**Statement of Net Assets.** This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations, regardless if they are currently available or not.

**Statement of Activities.** Consistent with the full accrual basis method of accounting, this statement accounts for the entity-wide current year revenues and expenses regardless of when cash is received or paid.

**Balance Sheet – Governmental Fund.** This statement presents the HTRPC's assets, liabilities, and fund balance for its general fund only.

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund Type – General Fund.** Consistent with the modified accrual basis method of accounting, this statement accounts for current year revenues when received except when they are measurable and available. Expenditures are accounted for in the period that goods and services are used in the government's activities. In addition, capital asset purchases are expensed and not recorded as an asset. The statement also exhibits the relationship of revenues and expenditures with the change in net assets.

**Notes to the Financial Statements.** The accompanying notes provide additional information essential to a full understanding of the data provided in the basic financial statements.

**Houma –Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government  
Management's Discussion and Analysis  
December 31, 2011**

**BASIC FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of HTRPC, assets exceeded liabilities by \$111,781 at the close of the most recent year, December 31, 2011. The largest portion of HTRPC's total assets is net capital assets (49.8%)

**HTRPC's Net Assets**

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Cash	\$ 55,440	\$ 53,511
Receivables	977	375
Capital assets, net of accumulated depreciation	<u>56,058</u>	<u>74,676</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 112,475</u></u>	<u><u>\$ 128,562</u></u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 694	\$ 496
Due to primary government	<u>-</u>	<u>335</u>
<b>Total liabilities</b>	<u>694</u>	<u>831</u>
<b>NET ASSETS</b>		
Invested in capital assets	56,058	74,676
Unrestricted	<u>55,723</u>	<u>53,055</u>
<b>Total net assets</b>	<u>111,781</u>	<u>127,731</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 112,475</u></u>	<u><u>\$ 128,562</u></u>

- Accounts payable and accrued expenses accounted for 100% of the total liabilities of HTRPC for the most recent year ended.

**Houma –Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**  
**Management's Discussion and Analysis**  
**December 31, 2011**

During the year, HTRPC's net assets decreased by \$15,950. The elements of the decrease are as follows.

**HTRPC's Changes in Net Assets**

	For the Year Ended December 31,	
	2011	2010
<b>REVENUES</b>		
Charges for services	\$ 21,113	\$ 26,594
Interest earned	100	153
Total operating revenues	<u>21,213</u>	<u>26,747</u>
<b>EXPENDITURES</b>		
Office supplies	412	826
Meeting and public notices	4,575	4,020
Per diems	5,200	4,950
Postage	3,513	3,911
Other services and charges	4,845	4,862
Depreciation	<u>18,618</u>	<u>18,963</u>
Total operating expense	<u>37,163</u>	<u>37,532</u>
<b>CHANGE IN NET ASSETS</b>	<u><u>\$ (15,950)</u></u>	<u><u>\$ (10,785)</u></u>

As indicated above, net assets decreased by \$15,950. The increase in the excess of expenditures over revenues from 2010 to 2011 is mainly attributed to the decrease in charges for services.

**CAPITAL ASSETS**

As of December 31, 2011, the Commission had \$56,058 invested in capital assets.

	2011	2010
Capital assets	\$ 103,894	\$ 103,894
Less accumulated depreciation	<u>(47,836)</u>	<u>(29,218)</u>
	<u><u>\$ 56,058</u></u>	<u><u>\$ 74,676</u></u>

Depreciation expense for the year is \$18,618. There were no capital asset additions or retirements during the year.



**Houma –Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**  
**Management's Discussion and Analysis**  
**December 31, 2011**

**BUDGET**

The Commission did not amend its budget during the fiscal year. The budget for revenues was \$27,700, and the budget for expenditures was \$27,350.

The Commission's actual revenues were less than the budgeted revenues by \$6,487, a variance of 23.4%. The Commission's actual expenditures were less than the budgeted expenditures by \$8,805, a variance of 32.2%.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of HTRPC's finances for all those with such an interest. Call the HTRPC office (985-873-6446) attention Peggy Pitre, bookkeeper, if you should have any further questions concerning any of the information provided in this report or have a request for additional financial information.

## **FINANCIAL STATEMENTS SECTION**

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Statement of Net Assets**

**December 31, 2011**

	<b>Government Activities</b>
<b>ASSETS</b>	
Cash	\$ 55,440
Receivables	977
Capital assets, net of accumulated depreciation	<u>56,058</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 112,475</u></b>
 <b>LIABILITIES</b>	
Accounts payable and accrued expenses	<u>\$ 694</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 694</u></b>
 <b>NET ASSETS</b>	
Invested in capital assets	\$ 56,058
Unrestricted	<u>55,723</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 111,781</u></b>

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Statement of Activities**

**For the Year Ended December 31, 2011**

	<b>Government Activities</b>
<b>REVENUES</b>	
Charges for services	\$ 21,113
Interest earned	<u>100</u>
<b>TOTAL REVENUES</b>	<u>21,213</u>
<b>EXPENDITURES</b>	
General government:	
Office supplies	412
Meeting and public notices	4,575
Per diems	5,200
Postage	3,513
Other services and charges	4,845
Depreciation	<u>18,618</u>
<b>TOTAL EXPENDITURES</b>	<u>37,163</u>
<b>CHANGE IN NET ASSETS</b>	(15,950)
<b>NET ASSETS - Beginning</b>	<u>127,731</u>
<b>NET ASSETS - Ending</b>	<u><u>\$ 111,781</u></u>

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Balance Sheet  
Governmental Fund Type – General Fund**

December 31, 2011

**ASSETS**

Cash	\$ 55,440
Receivables	<u>977</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 56,417</u></b>

**LIABILITIES**

Accounts payable and accrued expenses	\$ 694
--	--------

**FUND BALANCE**

Unassigned	<u>55,723</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 56,417</u></b>

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Statement of Revenues, Expenditures,  
and Changes in Fund Balance-  
Governmental Fund Type-  
General Fund**

For the Year Ended December 31, 2011

**REVENUES**

Charges for services	\$ 21,113
Interest earned	<u>100</u>

<b>TOTAL REVENUES</b>	<u>21,213</u>
-----------------------	---------------

**EXPENDITURES**

General government:

Office supplies	412
Meeting and public notices	4,575
Per diems	5,200
Postage	3,513
Other services and charges	<u>4,845</u>

<b>TOTAL EXPENDITURES</b>	<u>18,545</u>
---------------------------	---------------

<b>CHANGE IN FUND BALANCE</b>	2,668
-------------------------------	-------

<b>FUND BALANCE - Beginning</b>	<u>53,055</u>
---------------------------------	---------------

<b>FUND BALANCE - Ending</b>	<u><u>\$ 55,723</u></u>
------------------------------	-------------------------

The accompanying notes are an integral part of this statement.

**Houma-Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**

**Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
December 31, 2011**

Fund balance - governmental fund	\$ 55,723
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets of \$103,894, net of accumulated depreciation of \$47,836, are not financial resources and, therefore, are not reported in the governmental fund	<u>56,058</u>
Net assets of government activities	<u>\$ 111,781</u>

**Reconciliation of the Statement of Governmental Fund Revenues,  
Expenditures and Changes in Fund Balance to the  
Statement of Activities  
For the Year Ended December 31, 2011**

Change in fund balance - governmental fund	\$ 2,668
Amounts reported for governmental activities in the statement of activities are different because:	
Government fund reports capital outlays as expenditures whereas in the statement of activities these costs are depreciated over their estimated useful lives	
Depreciation expense	<u>(18,618)</u>
Change in net assets of government activities	<u>\$ (15,950)</u>

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Because the Terrebonne Parish Consolidated Government appoints the governing board and thusly can impose its will, the Houma-Terrebonne Regional Planning Commission was determined to be a component unit of the Terrebonne Parish Consolidated Government, the governing body of the parish and the governmental body with financial accountability. The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the Consolidated Government, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**A. REPORTING ENTITY**

The Commission is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2011. The Commission has reviewed all of its activities and determined that there are no potential component units that should be included in its financial statements

**B. METHOD OF ACCOUNTING**

GASB Statement No. 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net assets and a statement of revenues, expenses and changes in net assets. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted, and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.



**Houma-Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Restricted** – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**Unrestricted** – This component of net assets consists of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

**GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions***, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied. It establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are defined as follows:

**Nonspendable** – This component of fund balance includes amounts that cannot be spent due to form, including inventories and prepaid amounts. Also included are amounts that must be maintained intact legally or contractually.

**Restricted** – This component of fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed** – This component of fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Authority's highest level of decision-making authority. The Board of Directors must vote on commitments.

**Assigned** – This component of fund balance is intended to be used by the Authority for specific purposes but do not meet the criteria to be classified as restricted or committed. The Board of Directors can vote on applicable assigned amounts.

**Unassigned** – This component of fund balance is the residual classification for the Authority's general fund and includes all spendable amounts not contained in the other classifications.

**Stabilization Funds** – This component of fund balance covers such things as revenue shortfalls, emergencies, or other purposes. The authority to set aside resources often comes from a statute, ordinance, or constitution.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**C. BASIS OF PRESENTATION**

The Commission's basic financial statements consist of the government-wide statements on all activities of the Commission and the governmental fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through charges for services.

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the Commission continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the Governmental Fund of the Commission:

**General Fund** – The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Charges for services are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Commission because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**E. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Houma-Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

**F. OPERATING BUDGETARY DATA**

As required by the Louisiana Revised Statutes 39.1303, the Board of Commissioners (the Board) adopted a budget for the Commission's General Fund. The Board, as allowed by state law, does not obtain public participation in the budget process. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The Commission did not amend its budget during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America. The General Fund budget presentation is included in the basic financial statements

**G. ACCOUNTS RECEIVABLE**

The financial statements for the Commission contain no allowance for uncollectible accounts. Uncollectible amounts are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial positions or operations of the funds.

**H. CAPITAL ASSETS**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

**Government-wide Financial Statements:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives is 5 – 7 years.

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**I. VACATION AND SICK LEAVE**

The Commission has no full-time employees. There is no accumulated unpaid vacation and sick leave as of December 31, 2011.

**NOTE 2 – DEPOSITS**

Under state law, the Commission may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of another state in the Union, or the laws of the United States.

State law requires that deposits of all political subdivisions be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana, and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	<u>Bank Balance</u>	<u>Reported Amount</u>
Cash and cash equivalents	\$ 55,582	\$ 55,440

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of December 31, 2011, none of the Commission's bank balance of \$55,582 was exposed to credit risk as the balance was fully covered by deposit insurance.

**Houma-Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements**  
**As of and for the Year Ended December 31, 2011**

**NOTE 3 – CHANGES IN CAPITAL ASSETS**

Capital assets are valued at historical cost. Depreciation of all capital assets is calculated over the estimated useful lives using the straight-line method (5 - 7 years). Capital asset activity for the year ended December 31, 2011 was as follows:

	January 1, 2011	Additions	Deletions	December 31, 2011
Fixed assets	\$ 103,894	\$ -	\$ -	\$ 103,894
Accumulated depreciation	(29,218)	(18,618)	-	(47,836)
Total capital assets, net	<u>\$ 74,676</u>	<u>\$ (18,618)</u>	<u>\$ -</u>	<u>\$ 56,058</u>

**NOTE 4 – COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to commission members for the year ended December 31, 2011:

Daniel Babin	\$ 650
Marsha Williams	650
Beryl Amedee	600
Arnold Cloutier	600
Richard Elfert	600
Alex Ostheimer	600
James Emy	550
Keith Kurtz	500
John Navy	450
	<u>\$ 5,200</u>

**NOTE 5 – IN-KIND SERVICES**

The Terrebonne Parish Consolidated Government provided clerical, accounting, legal, administrative, and engineering services at no charge to the Commission during the year ended December 31, 2011.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Notes to the Financial Statements  
As of and for the Year Ended December 31, 2011**

**NOTE 6 – TRANSACTION WITH THE PRIMARY GOVERNMENT**

During the year ended December 31, 2011, the Commission did not assist Terrebonne Parish Consolidated with the funding of any projects. The only transactions the Commission and Terrebonne Parish Consolidated were involved with were standard recurring transactions.

**NOTE 7 – POST-EMPLOYMENT BENEFITS**

The Commission does not offer post-retirement benefits to its Commissioners.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through June 6, 2012, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**



**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Budgetary Comparison Schedule  
Year Ended December 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Budget</u>
				<u>Over/(Under)</u>
<b>REVENUES</b>				
Charges for services	\$ 27,500	\$ 27,500	\$ 21,113	\$ (6,387)
Interest earned	200	200	100	(100)
<b>TOTAL REVENUES</b>	<u>27,700</u>	<u>27,700</u>	<u>21,213</u>	<u>(6,487)</u>
<b>EXPENDITURES</b>				
<u>General government</u>				
Office supplies	1,000	1,000	412	(588)
Meetings and public notices	6,000	6,000	4,575	(1,425)
Per diems	6,600	6,600	5,200	(1,400)
Postage	4,500	4,500	3,513	(987)
Training	3,000	3,000	-	(3,000)
Other services and charges				
Audit fees	2,750	2,750	2,750	-
Membership dues	700	700	550	(150)
Insurance	800	800	550	(50)
Payroll tax expense	900	900	391	(509)
Miscellaneous expenses	1,000	1,000	257	(743)
Bank service charges	300	300	347	47
<b>TOTAL EXPENDITURES</b>	<u>\$ 27,350</u>	<u>\$ 27,350</u>	<u>\$ 18,545</u>	<u>\$ (8,805)</u>

See Independent Auditor's Report on Supplementary Information

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**Martin  
and  
Pellegrin**

103 Ramey Road  
Houma, Louisiana 70360

*Certified Public Accountants  
(A Professional Corporation)*

Ph. (985) 851-3638  
Fax (985) 851-3951

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners  
Houma-Terrebonne Regional Planning Commission  
Houma, Louisiana

We have audited the financial statements of the Houma-Terrebonne Regional Planning Commission (the Commission), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

**Internal Control Over Financial Reporting**

Management of the Houma-Terrebonne Regional Planning Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Commissioners  
Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 11-01.

The report is intended solely for the information of the Board of Commissioners, management, the reporting entity, and the Louisiana Legislative Auditor, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document

June 6, 2012

**Houma-Terrebonne Regional Planning Commission**  
**Terrebonne Parish Consolidated Government**

**Schedule of Findings and Responses**  
**For the Year Ended December 31, 2011**

**Section I – Summary of Auditor's Results**

1. The auditor's report expresses an *unqualified opinion* on the financial statements of the Houma-Terrebonne Regional Planning Commission.
2. No significant control deficiencies were noted during the audit of the financial statements.
3. One instance of noncompliance (see finding 11-01), required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.
4. A management letter was not issued.

**Section II – Financial Statement Findings**

**Compliance**

**11-01**

Statement of Condition: The Commission did not amend its budget when required during the year.

Criteria: Louisiana Revised Statutes 39:1310 and 1311 require governmental entities to adopt a budget amendment if there is a 5% unfavorable variance in revenues or expenditures.

Effect of Condition: The Commission was not in compliance with state budgetary law.

Cause of Condition: The management of the Commission did not make period comparisons of actual results to budgeted amounts, and, as such, was unaware of the unfavorable variance.

Recommendation. We recommend that the Commission adopt procedure that will require it to monitor actual results to budgeted amounts and amend its budget when required, in accordance with state budgetary law.

**Section III – Internal Control Findings**

No findings related to the Houma-Terrebonne Regional Planning Commission's internal control, which would be required to be reported in accordance with *Government Auditing Standards*, were noted during the audit.

**Section IV – Findings and Questioned Costs – Major Federal Award Program Audit**

This section is not applicable.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Management's Corrective Action Plan for Current Year Findings  
For the Year Ended December 31, 2011**

The contact person for all corrective actions noted below is Mrs. Jamie Elfert, Chief Financial Officer.

**Section I – Internal Control and Compliance**

**No budget amendment**

Condition: The Commission did not amend its budget during the year in accordance with state budgetary law.

Recommendation: We recommend that the Commission comply with state law and amend its budget when there is a 5% unfavorable variance in revenues or expenditures.

Planned Action: The Commission will implement the recommendation as detailed above.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.

**Houma-Terrebonne Regional Planning Commission  
Terrebonne Parish Consolidated Government**

**Schedule of Prior Findings and Responses  
For the Year Ended December 31, 2011**

Note: The prior findings relate to the December 31, 2010 audit engagement.

**Section I – Internal Control and Compliance Material to the Financial Statements**

**10-01 - No budget amendment**

Condition: The Commission did not amend its budget during the year in accordance with state budgetary law.

Recommendation: We recommend that the Commission comply with state law and amend its budget when there is a 5% unfavorable variance in revenues or expenditures.

Status: Unresolved. This condition continued in the year ended December 31, 2011.

**Section II – Internal Control and Compliance Material to Federal Awards**

This section is not applicable.

**Section III – Management Letter**

This section is not applicable.